



## The Top 2 Canadian Value Stocks to Buy Now

### Description

Investors know that after an incredible recovery by markets in 2020 and a strong start to the year in 2021, opportunities to buy top Canadian value stocks are few and far between.

Last year you could have essentially bought any high-quality company and gotten it at a discount.

This year, though, it requires a lot more in-depth research to find the highest quality Canadian value stocks that are worth a buy in this environment.

What's important to remember for investors is that most of the time, stocks don't trade cheap for a reason. That doesn't mean they aren't worth an investment.

However, it's crucial you know why the market is undervaluing a stock. Then you can decide if it makes sense to avoid the stock or if the worries are overblown and the discount is creating a major buying opportunity.

So with that in mind, here are two of the top Canadian value stocks you'll want to consider buying today.

### The top Canadian value stock to buy today

Ever since the pandemic hit early last year, **Corus Entertainment** ([TSX:CJR.B](#)) has been one of the cheapest Canadian value stocks to consider.

Even after its more than 135% rally in the last 12 months, the stock still only trades at a forward price to earnings ratio of just 6.5 times today. That goes to show just [how cheap Corus was](#) last year and the opportunity it presents to investors going forward.



The Canadian media company, which owns TV assets such as cable television channels, streaming services, and a content creation business, is cheap by all standards. But why is the market neglecting Corus?

The television business has been under pressure in recent years. The rise of numerous streaming services and heavy competition in the space is cause for some concern. Corus has addressed this, though, and made great progress in differentiating its offerings to consumers. Not to mention it's worked to build up its content creation business.

Another issue investors have before they buy this top Canadian value stock is its heavy debt load. However, the company has also addressed this. In fact, throughout the pandemic, Corus managed to pay down a tonne of debt.

This shows that the company has really turned the corner. And if it could survive the pandemic all while keeping its dividend intact and paying down a tonne of debt, I'm optimistic Corus can continue to improve its business over the coming years.

So, therefore, if you believe Corus can continue to recover, the stock is a no-brainer buy today. Trading at a price to free cash flow ratio of just 4.0 times, a price to book ratio of just 1.1, and a forward price to earnings ratio, as I mentioned before, of just 6.5 times, it's easily the top Canadian value stock to buy today.

## The best value stock for dividend investors

In addition to Corus, another high-quality opportunity for [dividend investors](#) to consider today is **Boston Pizza Royalties Income Fund** ([TSX:BPF.UN](#)).

As the pandemic starts to wind down in Canada and each province reopens, restaurants like Boston Pizza are among the companies that stand to benefit the most.

The company is still seeing a major impact on its revenues, which means it still has a lot to recover. As of its most recent earnings report, sales were still down 35% from their pre-pandemic level.

With Boston Pizza, this is crucial. The fund earns a royalty on all the sales that each of its restaurants does. So as indoor dining returns and capacity restrictions are lifted, the stock should see a natural boost to revenue. So at its current price, Boston pizza is one of the top Canadian value stocks to buy today.

And because this revenue essentially all flows down to the bottom line, that means investors stand to see a massive increase in net income, which should mean a massive increase in distributable income.

The stock is cheap, though, because investors know it's not without risk. While our vaccination efforts in Canada have been impressive, we can't ignore the potential risks of new variants.

Further shutdowns could cripple the restaurant industry. So while Boston Pizza looks to be one of the top Canadian value stocks to buy today, keep in mind, there are still significant risks to be cognizant of.

## CATEGORY



1. Investing
2. Stocks for Beginners

## **TICKERS GLOBAL**

1. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
2. TSX:CJR.B (Corus Entertainment Inc.)

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